Item 1: Cover Page

Key Financial, Inc.
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Form ADV Part 2A – Firm Brochure

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Date of Brochure: March 25, 2021

This brochure provides information about the qualifications and business practices of Key Financial, Inc. ("KFI"). If the client has any questions about the contents of this brochure, please contact us at 610-429-9050. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority.

Additional information about KFI is available on the SEC's website at www.adviserinfo.sec.gov. The searchable IARD/CRD number for Key Financial is 116240.

KFI is a Registered Investment Advisor. Registration with the United States Securities and Exchange Commission or any state securities authority does not imply a certain level of skill or training.

Item 2: Material Changes

Since the last annual filing, dated March 20, 2020, there have been no material changes.

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Item 4: Advisory Business

Description of Advisory Firm

Key Financial, Inc. (hereinafter referred to as the "Advisor" or "KFI") is registered as an Investment Adviser with the Securities and Exchange Commission. KFI was formed in March of 1997 and Patricia (also referred to as "Patti") Clark Brennan (CRD Number 1454607) is one hundred percent (100%) equity owner. Mrs. Brennan also acts as the firm's CEO, and Chief Compliance Officer. The Advisor is not publicly owned or traded. There are no indirect owners of the Advisor or intermediaries that have any ownership interest in the Advisor. The Advisor provides investment management services on a continuous and ongoing basis. Client cases are managed on an individualized basis and services are tailored to meet clients' specified needs, goals, and objectives. Clients may impose restrictions on their accounts. The Advisor does not sponsor any wrap programs.

As of December 31, 2020, KFI manages $1,191,976,591 on a discretionary basis and $284,929,702 on a non-discretionary basis.

Types of Advisory Services

Principal Business:

Advisor believes financial decisions should be based on the client's desired financial outcomes with portfolio management and the deployment of financial resources serving the overall goals of each client. Therefore, KFI's principal business purpose is to provide comprehensive financial planning services and investment recommendations that are intended to adhere closely to the client's stated goals and objectives. In certain instances, advice regarding investments and asset allocation as deemed appropriate may be provided without comprehensive financial planning. Estate planning may be done on a modular basis with retirement cash flow analysis in order to help determine the probability of a client maintaining their lifestyles and standards of living in retirement. KFI manages client accounts on a discretionary or non-discretionary basis according to the client's preference (as designated in the client's advisory agreement). For accounts managed on a discretionary basis, the Advisor is authorized to implement recommendations and effect investment transactions related to the assets in clients' Account(s). Clients authorize the Advisor, without prior consultation, consent, or approval to give instructions regarding the amount of securities to be bought or sold and/or the timing of such transactions to the custodian to implement securities transactions on behalf of clients. This authority does not extend to the withdraw or transfer of funds from clients' account(s).

For accounts managed on a non-discretionary basis, the Advisor may provide periodic recommendations to clients and if such recommendations are approved/authorized, the Advisor will ensure that the authorized recommendations are carried out for clients' accounts. Subsequent to client approval, Advisor is authorized to buy, sell, and trade in financial instruments and investment products and to give instructions in furtherance of such authority to a registered broker-dealer, other financial institution, and/or the custodian of the assets.

As previously mentioned, KFI does not believe clients should prepay for services and has adopted a policy of billing in arrears. As such, fees are due and payable on the first business day of each calendar quarter based on the value of the client's account on the last business day of the previous calendar quarter. Advisor may choose to "grandfather" existing clients and bill them according to previously agreed upon fee schedules. Clients are directed to Item 12 (below) for a discussion of the Advisor's brokerage practices.

Comprehensive Financial Planning Services (Phase One – Initial Financial Plan):

KFI, through its Investment Adviser Representatives, or associated persons of the Advisor meets with prospective clients to explore basic points of personal and/or business financial planning. There is no charge for this initial consultation. Once the Advisor has been engaged to prepare an Initial Financial Plan, under the terms of the Phase One Agreement, the client is required to complete a Financial Planning Questionnaire and provide necessary or requested documents to aid in the development of the financial plan. Once the relevant information is received, the Advisor evaluates client's asset allocation, securities, income taxes, estate planning, retirement planning, personal investments, insurance, financing options, cash flow, company benefits, and any other financial aspects applicable to the services of the Financial Planning Agreement.

After the financial plan has been developed and stress tested, a follow-up meeting is scheduled where the written financial plan is delivered. The written financial plan generally includes an overview of the planning assumptions, an analysis of the clients' projected long-term cash flow, and the potential impact of current strategies on the clients' financial circumstances. In many cases, alternative planning scenarios may be presented to offer potential solutions to allow clients to achieve their stated goals and objectives. The financial plan and all assumptions are carefully reviewed for accuracy with the client, and it is clearly communicated that the client is under no obligation to implement any of the recommendations through the Advisor or the firm.

If the client is satisfied and agrees to the proposed recommendations of the Initial Financial Plan, the client may proceed to an ongoing Financial Planning and Asset Monitoring ("Phase Two") relationship with the Advisor. If a Phase Two Agreement is signed, the Advisor will implement the recommendations approved by the client.

Recommendations can be made for retail accounts or advisory accounts (subject to the client's preference), and Advisor shall disclose whether the Advisor will be compensated on the basis of asset-based fees or whether commissions will be earned. Advisor does not advocate for a particular account type, but clients should be aware that non-discretionary retails accounts involve additional risks (ex. Timing risk) that may not be present in discretionary advisory accounts. If the client does not choose to proceed to Phase Two, no ongoing planning or asset monitoring will be provided, and the client is solely responsible for the (1) decision to implement, and (2) the act of implementation for any of the recommendations that the client deems to be appropriate. Access to staff and online portals will cease according to the terms of the Phase One Agreement.

Comprehensive and modular planning may include the following services as requested by the client and deemed appropriate by the Advisor:

Services & Fees

SCHEDULE A
Services to be performed by the Planner for the Client are as follows (Check those that apply):

Include	
1. Goal Setting	________
2. Cash Flow Projections	________
3. Net Worth Statement	________
4. Retirement	
Needs analysis and retirement income projections	________
Asset Projections	________
Monte Carlo Analysis (Probability of Success Back test)	________
5. Risk Capacity Analysis	________
6. Review of Current Portfolio	
Review of Current Asset Allocation and investments	________
Specific Allocation and Investment Recommendations	________
Proposed Portfolio	________
6. Insurance	
Life Insurance Analysis	________
Disability Analysis	________
Long Term Care Analysis	________
7. Income Tax Projections, Analysis and Planning	________
8. Estate Planning	________
9. Education Needs and Funding Analysis	________
10. Other Services (as needed)	________

Clients should be mindful that the value and usefulness of financial planning services of the Advisor will be dependent upon accuracy and timeliness of information provided, and upon the client's active participation in the formulation of financial planning objectives and implementation of plans to attain those objectives. The client will provide copies of insurance policies, wills, tax returns, and other documents and information as the Advisor may reasonably request to permit complete evaluation and prepare planning and investment recommendations to the client.

KFI recognizes that the value of any financial plan goes beyond the written plan and involves carefully monitoring clients' progress toward their financial goals and objectives. Without this, a static plan can become obsolete as changes in a client's financial situation, the economy, tax laws, and markets can have a significant impact on the success of the Initial Financial Plan. Further, recommendations made based on these factors may cause any Phase One recommendations to become less appropriate, outdated, or no longer advisable. As such, KFI's investment advisory structure is designed to align the firm's interests with the best interests of the client.

Ongoing Financial Planning & Asset Management (Phase Two – Advisory Services):

If subsequently engaged to do so, the Advisor will monitor the clients' financial plan and furnish periodic updates recommendations (as needed) regarding the allocation of present financial resources among different types of assets (including investments, savings, and life insurance). If a comprehensive financial plan has not been prepared, the clients can request these services at any time. These services will be performed with the intent to better correlate the investment strategies and deployment of assets with the clients' financial planning objectives. Clients may continue to utilize the Advisor in an investment program of Asset Allocation and to monitor clients' objectives, risk tolerance, and financial constraints.

In order to manage clients' portfolios as an element of the ongoing financial planning services, the Advisor will offer Royal Advisory Services Accounts ("RAS Accounts"), which are accounts that authorize the Advisor to purchase no-load mutual funds, load-waived funds, and other equity, ETF's, debt, and option securities on behalf of the clients. No initial sales charges or commissions will be assessed in these accounts, nor will the Advisor charge any amount over and above the minimum broker-dealer commission and clearing charges. As such, in addition to the quarterly account fees described below, clients may also be required to pay separate per-trade transaction charges. Please see the client agreement for a complete list of transaction charges. The Advisor will request the relevant financial data from clients and assist in the selection of advisable investments. The investment strategy will be tailored to the specific needs of each client and will depend on each client's financial goals and individual or personal/family situation. For the avoidance of doubt, the client retains the opportunity to place reasonable restrictions on investments held within their RAS Account, and if applicable, the client should promptly notify the Advisor by providing such restrictions in writing.

Alternative Advisory Service Arrangements

Advisor Managed Accounts (Investment-Only Service) – While the Advisor believes that every client can benefit from a financial plan, from time to time, clients may decide that comprehensive financial planning services are not necessary given their financial situation or preference. Under such circumstances, clients may choose to engage the Advisor for discretionary asset management services that do not include comprehensive financial planning services. These clients will be billed according to the RAS Account fee schedule as the Advisor does charge a separate fee for Phase One financial planning services.

Outside Accounts - Asset allocation selection and portfolio monitoring services may be provided for clients with external pension, profit sharing, 401k, 403b, mutual fund or brokerage accounts held at custodians or broker-dealers outside of the Advisor's broker-dealer, as part of the financial planning advisory services. Aggregation of outside accounts into clients' personal website (eMoney) is an accommodation, and advisor takes no responsibility to ensure outside accounts are connected, aggregating properly, or being updated in clients' financial plans. For the avoidance of doubt, continuous management and ongoing performance reporting will not be provided for outside accounts. Since data feeds come directly from the Advisor's Custodian, ongoing monitoring, continuous management, and performance reporting will only be provided for assets under custody of Royal Alliance or its clearing firm, Pershing LLC.

Grandfathered Retail Accounts - Clients who engaged the Advisor for services prior to the availability of discretionary asset management services (RAS Accounts) are grandfathered under the Advisor's previous asset-based fee structure of one-third of one percent of assets under management for financial planning and asset monitoring. Recommendations are made on a periodic basis. This program is not available to new clients, except for new clients related to an existing grandfathered retail account client.

Grandfathered Converted RAS Accounts – This arrangement is available for Grandfathered Retail Account clients who desire access to institutional pricing, discretionary investment services, and continuous and ongoing management of client portfolios can choose to convert to a RAS Account. Clients who take advantage of this account conversion will receive the grandfathered advisory fee rate of sixty-five basis points.

Grandfathered Third-Party Managed Accounts - In certain circumstances the Advisor may utilize the services of RTD Financial Advisors ("RTD") serving as a third-party money manager. RTD utilizes Charles Schwab ("Schwab") as the broker-dealer firm. In general, the minimum account size is $250,000. The Advisor provides recommendations regarding asset allocation which is the process of selecting a mix of asset allocation of capital to those assets based on the client's objectives, risk tolerance, and time constraints.

Quarterly status and repositioning reports are provided by RTD. As part of KFI's agreement with RTD, the Advisor will be compensated sixty-five percent (65%) of advisory fees collected from clients that pertain to services rendered pursuant to this agreement.

As part of an initial financial planning analysis and engagement, the Advisor will assist clients in determining their investment goals and objectives, risk tolerance, and retirement plan investment time horizon(s). The Advisor will then recommend an initial asset allocation. However, if such assets are custodied outside of the control and oversight of the Advisor or Advisor's broker-dealer (Royal Alliance Associates, Inc.) or custodian (Pershing LLC), the client is responsible for the implementation of the Advisor's recommendations and ongoing monitoring of asset allocation and performance.

Termination - Clients can terminate their relationship with the Advisor by providing written notice in accordance with the terms of their signed agreement. KFI bills for ongoing financial planning and asset monitoring services in arrears so issues related to the refunding of prepaid fees generally do not apply. If an extraordinary circumstance involving the termination of services after a prepayment, the client would then receive, where applicable, a prorated refund of any prepaid advisory fees. Such prorated refund will be based upon actual services and termination costs incurred up to and at the time of termination of the Advisor's services.

Educational Seminars - KFI offers free financial education seminars as a means of introducing the knowledge, expertise, and services of the Advisor to the public. The Advisor also hosts client appreciation events and meetings from time to time. Mutual fund companies and annuity companies may participate in covering the costs associated with these events and seminars. In the Advisor's view, this constitutes a potential conflict of interest. However, the client's best interest shall always be placed ahead of the interests of the Advisor and/or its associated persons.

Trust Services - KFI participates in Pershing's Trust Network and may recommend clients who need personal trust services to certain corporate trustees in the Trust Network. If a client employs a corporate trustee, neither KFI, nor its associated persons, receive compensation from the corporate trustee. All fees paid to the corporate trustee for services performed are separate from, and in addition to, fees paid to KFI for financial planning and advisory services performed. Clients are under no obligation to use any recommended corporate trustee(s) for personal trust services.

Miscellaneous - Limitations of Financial Planning and Non-Investment Consulting/Implementation Services. Subsequent to completion of Phase One, as engaged by the client, KFI will generally provide financial planning and related consulting services regarding non-investment related matters, such as tax and estate planning, insurance, etc., inclusive of its advisory fee set forth at Item 5 below (exceptions could occur based upon assets under management, special projects, stand-alone planning engagements, etc. for which Advisor may charge a separate or additional fee). Please Note: KFI believes that it is important for the client to address financial planning issues on an ongoing basis. KFI's advisory fee, as set forth in Item 5 below, will remain the same regardless of whether or not the client determines to address financial planning issues with KFI. Please Also Note: KFI does not serve as an attorney, accountant, or insurance agent, and no portion of our services should be construed as same. Accordingly, KFI does not prepare legal documents, prepare tax returns, or sell insurance products. To the extent requested by a client, we may recommend the services of other professionals for non-investment implementation purpose (i.e. attorneys, accountants, insurance, etc.), including some KFI representatives in their separate individual capacities as Registered Representatives of Royal Alliance Associates, Inc. ("Royal"), an SEC registered and FINRA member broker-dealer, and as licensed insurance agents. *See* Item 10 below. The client is under no obligation to engage the services of any such recommended professional. The client retains absolute discretion over all such implementation decisions and is free to accept or reject any recommendation from KFI and/or its representatives. Please Also Note: If the client engages any recommended unaffiliated professional, and a dispute arises thereafter relative to such engagement, the client agrees to seek recourse exclusively from and against the engaged professional. At all times, the engaged licensed professional[s] (i.e. attorney, accountant, insurance agent, etc.), and not KFI, shall be responsible for the quality and competency of the services provided. Please Further Note - Conflict of Interest: The recommendation by a KFI representative that a client purchase a securities or insurance commission product from a KFI representative in his/her individual capacity as a representative of Royal and/or as an insurance agent, presents a conflict of interest, as the receipt of commissions may provide an incentive to recommend investment and/or insurance products based on commissions to be received, rather than on a particular client's need. No client is under any obligation to purchase any securities or insurance commission products from a KFI representative. Clients are reminded that they may purchase securities and insurance products recommended by a KFI representative through other, non-affiliated broker-dealers and/or insurance agents. Any Questions: KFI's Chief Compliance Officer, Patti Brennan, remains available to address any questions that a client or prospective client may have regarding the above conflicts of interest.

Please Note: Retirement Rollovers - Potential for Conflict of Interest: A client or prospective client leaving an employer typically has four options regarding an existing retirement plan (and may engage in a combination of these options): (i) leave the money in the former employer's plan, if permitted, (ii) roll over the assets to the new employer's plan, if one is available and rollovers are permitted, (iii) roll over to an Individual Retirement Account ("IRA"), or (iv) cash out the account value (which could, depending upon the client's age, result in adverse tax consequences). If KFI recommends that a client roll over their retirement plan assets into an account to be managed by KFI, such a recommendation creates a conflict of interest if KFI will earn new (or increase its current) compensation as a result of the rollover. No client is under any obligation to roll over retirement plan assets to an account managed by KFI. KFI's Chief Compliance Officer, Patti Brennan, remains available to address any questions that a client or prospective client may have regarding the potential for conflict of interest presented by such rollover recommendation.

Portfolio Activity - KFI has a fiduciary duty to provide services consistent with the client's best interest. If engaged for ongoing management (referred to as Phase 2) KFI will review client portfolios on an ongoing basis to determine if any changes are necessary based upon various factors, including, but not limited to, investment performance, market conditions, fund manager tenure, style drift, account additions/withdrawals, and/or a change in the client's investment objective. Based upon these factors, there may be extended periods of time when KFI determines that changes to a client's portfolio are neither necessary, nor prudent. Clients remain subject to the fees described in Item 5 below during periods of account inactivity.

Custodian Charges-Additional Fees - As discussed below, in conjunction with KFI's employees' relationship with Royal, Pershing LLC shall generally serve as the custodian for client investment management assets. Custodians such as Pershing LLC may charge brokerage commissions, transaction, and/or other type fees for effecting securities transactions. These fees/charges are in addition to KFI's investment advisory fee in Item 5 (below). KFI does not receive any portion of these fees/charges. Any Questions: KFI's Chief Compliance Officer, Patti Brennan, remains available to address any questions that a client or prospective client may have regarding the above.

ERISA PLAN and 401(k) INDIVIDUAL ENGAGEMENTS:

Trustee Directed Plans. KFI may be engaged to provide investment advisory services to ERISA retirement plans, whereby the Firm shall manage Plan assets consistent with the investment objective designated by the Plan trustees. In such engagements, KFI will serve as an investment fiduciary as that term is defined under The Employee Retirement Income Security Act of 1974 ("ERISA"). KFI will generally provide services on an "assets under management" fee basis per the terms and conditions of an Investment Advisory Agreement between the Plan and the Firm.

Participant Directed Retirement Plans. KFI may also provide investment advisory and consulting services to participant directed retirement plans per the terms and conditions of a Retirement Plan Services Agreement between KFI and the plan. For such engagements, KFI shall assist the Plan sponsor with the selection of an investment platform from which Plan participants shall make their respective investment choices (which may include investment strategies devised and managed by KFI), and, to the extent engaged to do so, may also provide corresponding education to assist the participants with their decision-making process.

Client Retirement Plan Assets. If requested to do so, and as an accommodation, KFI can also provide investment advisory services relative to 401(k) plan assets maintained by the client in conjunction with the retirement plan established by the client's employer. In such event, KFI shall recommend that the client allocate the retirement account assets among the investment options available on the 401(k) platform. KFI's recommendations shall be limited to the allocation of the assets among the investment alternatives available through the plan. KFI will not be managing the plan on a continuous and on-going basis and will not receive any communications from the plan sponsor or custodian. It shall remain the client's exclusive obligation to notify KFI of any changes in investment alternatives, restrictions, etc. pertaining to the retirement account.

Please Note: Non-Discretionary Service Limitations - Clients that determine to engage KFI on a non-discretionary investment advisory basis must be willing to accept that the KFI cannot affect any account transactions without obtaining prior consent to any such transaction(s) from the client. Thus, in the event that KFI would like to make a transaction for a client's account, and client is unavailable, KFI will be unable to affect the account transaction (as it would for its discretionary clients) without first obtaining the client's consent.

Client Obligations. In performing our services, KFI shall not be required to verify any information received from the client or from the client's other professionals and is expressly authorized to rely thereon. Moreover, it remains each client's responsibility to promptly notify KFI, in writing, if there is ever any change in their financial situation or investment objectives for the purpose of reviewing/evaluating/revising our previous recommendations and/or services.

Please Note: Investment Risk - Different types of investments involve varying degrees of risk, and it should not be assumed that future performance of any specific investment or investment strategy (including the investments and/or investment strategies recommended or undertaken by KFI) will be profitable or equal any specific performance level(s).

Item 5: Fees and Compensation

Generally, KFI seeks to provide comprehensive financial planning services as well as asset management services that are intended to allow clients to achieve the goals and objectives included in their individualized financial plan. As such, KFI charges its Phase One Financial Planning clients fees for the services related to the research, development, and recommended actions included as part of the client's initial financial plan. For Phase Two clients receiving ongoing financial planning and asset monitoring services, KFI charges asset-based Advisory Fees. Under certain circumstances where comprehensive financial planning services are not required, KFI may offer investment advisory services that do not include financial planning services. The Advisor may choose to provide services for a reduced rate or waive the initial financial planning fee and/or quarterly financial planning and asset monitoring fees ("Advisory Fees"). The fees and other sources of compensation associated with each of the previously mentioned Advisor-client relationships are described in this section.

Types of Fees for Services

Fees for Comprehensive Financial Planning Services (Phase One – "Financial Planning Fee"):

Phase One Financial Planning clients are charged a fixed fee amount for a comprehensive Initial Financial Plan which is estimated by the Advisor during the initial meeting in consideration of the services requested, the complexity of the client's financial situation, the composition of the client's accounts, and the estimated time required to complete the requested financial planning services.

Fees for Ongoing Financial Planning & Asset Management (Phase Two Advisory Fees):

While it is a common practice among financial advisors to distinguish between different tiers of financial planning services, KFI offers its full menu of comprehensive financial planning services to its financial planning clients. Additionally, while many advisors distinguish between and charge separate and/or additional fees for ongoing financial planning services and asset management services, KFI believes these services complement and enhance one another. As such, KFI includes both the ongoing financial planning and asset management services in its asset-based Advisory Fee structure.

Phase Two clients are charged fees for ongoing financial planning and asset monitoring (collectively referred to as “Advisory Fees”). The Advisory Fees are calculated as a percentage of assets under management and are paid on a quarterly basis. If a client chooses to dollar cost average from a lump sum deposit, fees will be assessed as of the date of the deposit. Advisory Fees will be due and payable in arrears on the first business day of each calendar quarter in the amount based upon the total value of Client’s Account(s) on the last business day of the previous quarter. Advisory Fees are not charged on the basis of a share of capital gains or capital appreciation of the funds or any portion of the funds of an advisory client. Fees paid to the Advisor for investment advisory services are separate and distinct from the fees and expenses charged by clearing firms or by mutual funds and to their shareholders. These fees and expenses are described in each fund’s prospectus and the addendum to the Phase Two Agreement. Such fees will generally include management fees, other fund expenses, possible distribution fees, or clearing charges. If the fund imposes sales charges, only non-discretionary Retail Account clients will bear the costs of any initial or deferred sales charge(s).

A client could invest in a mutual fund directly, without the services of KFI. In that case, the client would not receive the services provided by the Advisor that are designed, among other things, to assist the client in determining which mutual fund or funds are most appropriate to the client’s financial condition, objectives, tax liability and financial planning. Accordingly, the clients should review both the fees charged by the funds and the fees charged by KFI to fully understand the total amount of fees to be paid by the clients and to thereby evaluate the advisory services being provided. KFI is responsible for the calculation of advisory fees and requesting the debiting of all fees from the clients’ account(s) held by the Advisor’s approved custodians. Clients will provide written authorization to the custodian to debit the Advisory Fees from their account(s) and to pay the fees to KFI. Fee amounts are based on the account’s asset value as of the last business day of the previous calendar quarter. As a term of the Advisory Agreement, clients authorize the Advisor to deduct the Advisory Fees directly from the client’s advisory account in accordance with applicable custody rules. KFI follows current best practices where fees are prorated on an account basis while aggregating all accounts to reduce overall fees. Clients may elect to have the quarterly fee charged to, and deducted from, one account or to split the charged amount between multiple accounts. Clients should consult with their tax advisor or CPA for potential implications of this approach. The Advisor and client must execute an agreement to engage in advisory services. The agreement shall remain in effect until terminated by either party by providing notice to the other party in writing at least ten (10) days prior to the date of termination. Clients are provided a copy of this brochure (Form ADV, Part 2A) prior to the execution of any advisory agreement. If a client does not receive this brochure prior to the execution of an advisory agreement, the client shall have a period of five (5) days to terminate the agreement without penalty or fees. Effective from the date of termination, the Advisor shall refrain, without liability or obligation, from taking any further action related to the client's account(s). Accounts within a household under separate names or titling will be aggregated for a reduction in total fees.

Wrap Fee Programs – KFI does not sponsor a wrap, unbundled wrap, or fee and commission offset program through Royal Alliance or Schwab. Schwab charges commission rates that are generally considered discounted from customary retail commission rates. However, the commissions and/or transaction fees charged by Royal Alliance and Schwab may be higher or lower than those charged by other broker-dealer/custodians. The fees charged by Royal Alliance and Schwab, or any other designated broker-dealer/custodian, are exclusive of, and in addition to, KFI's financial planning and asset monitoring fees. In addition, the clients shall also incur charges imposed at the mutual fund level (e.g. management fees and other fund expenses). Please see client agreement for charges imposed by clearing firm/broker-dealer and commission rates as they may apply to various accounts, holdings, purchases, or sales.

Third-Party Charges - KFI's fees for services are exclusive of transaction or execution fees and other related costs and expenses that may be incurred in relation to the management of clients' accounts. Additional charges are imposed by third-party custodians, brokers, dealers, and other third parties. These charges may include mark-ups, mark-downs, custodial fees, deferred sales charges, trading charges for odd-lot differentials, commissions, revenue-sharing and dealer profits. A third-party can also impose charges for electronic fund wire transfer, certificate delivery, American Depositary Receipt (ADR), annual maintenance, and transfer taxes mandated by law. Mutual fund and exchange traded funds can also charge internal management fees, which are disclosed in a fund's prospectus. Such charges, fees and costs are exclusive of, and in addition to, KFI's fees. KFI will not receive a portion of the operational fees charged by third parties.

Fee Terms for Additional Services - The Advisor retains the right to charge a fee for settling estates, divorce settlements, consultations with trust attorneys, or project-based work. These fees will be estimated based upon the nature, complexity, and the anticipated time required and agreed upon by both the Advisor and the client in advance. Fees related to additional services will be charged to the client after the work has been completed.

Disclosure Regarding Fee-Based Asset Management Accounts - When making the determination as to whether one of the following advisory programs available through KFI is

appropriate, clients should be aware that fee-based accounts, when compared with commission-based accounts, often result in lower costs during periods when trading activity is heavier (such as the year an account is established). However, during periods when trading activity is lower, the fee-based account arrangements could result in a higher annual cost for transactions. Therefore, depending on a number of factors, the total cost for transactions under a fee account versus a commission account can vary significantly. Factors which affect the total cost include account size, amount of turnover, type and quantities of securities purchased or sold, commission rates and the client's tax situation.
Further, retail (commission-based) accounts do not allow for Advisor to have discretion, which could result in a delay of implementation of recommendations which may impact investment results and affect client outcomes. Clients should discuss the advantages and disadvantages of fee-based and commission-based accounts with their adviser representative or financial professional.

Mutual Fund & Exchange Traded Fund (ETF) Fees - Each mutual fund and exchange traded fund will detail its fees and costs in its prospectus. The fund's expense ratios typically include the related fees as well as fees paid by the fund's shareholders including, but not limited to, mutual fund sales loads, 12(b)-1 fees, and surrender charges. For accounts managed as Royal Advisory Service (RAS) accounts, the Advisor does not share in these fees charged by the fund company.

Mutual funds or exchange traded funds recommended to KFI may be available directly from the fund company or through another financial services provider. Non-discretionary ("Retail") accounts typically involve upfront or back-end charges, and the Advisor does derive a portion of compensation from these fees. Advisor may also offer funds or share classes that clients would not be qualified to purchase outside of the KFI's advisory platform. Please refer to each fund's prospectus when considering investing in mutual funds and ETFs. In the event of termination, a liquidation or exchange of these investments for the share class corresponding to the size of the client's individual investment in the fund may be required to assist in the administration of the transfer of assets to another custodian.

Insurance & Annuities – Insurance and Annuities represent risk transfer tools and as part of a comprehensive financial plan, Advisor may recommend a change in insurance or additional coverage. Clients have the option to utilize existing relationships to implement a recommendation; or have Advisor obtain quotes from unaffiliated brokers or agents. Representatives of Advisor may share in commissions and/or overrides that are paid by these companies for insurance place through them. Clients are advised that there is total freedom to choose any insurance to choose any insurance company they may desire.

Retirement Plan Providers - KFI's fees for services do not include the administrative costs for a qualified retirement plan. Third-party service providers charge these fees under separate agreements with the plan or plan sponsor.

Phase Two Account Types and Advisory Fees

ROYAL ADVISORY SERVICES ACCOUNTS ("RAS ACCOUNTS"):

Discretionary RAS Accounts

Discretionary RAS Accounts are offered through KFI's broker-dealer firm, Royal Alliance Associates, Inc. ("Royal Alliance") and custodied by Pershing LLC ("Custodian"), a subsidiary of the Bank of New York Mellon. RAS Account Advisory Services are generally undertaken on a discretionary basis. For RAS Accounts, any 12b-1 fees charged on mutual funds in investment accounts through Royal Alliance/Pershing will be reimbursed and credited back to that same account. Please refer to the client's signed advisory agreement for additional information regarding any associated clearing charges or transaction fees.

QUARTERLY ADVISORY FEES (RAS Discretionary Accounts)

Portfolio Size	Quarterly Fee Rate (%)	Annual Advisory Fee Rate (%)
$0 – $250,000	0.3750%	1.50%
$250,001 – $500,000	0.3000%	1.20%
$500,001 - $1,000,000	0.2500%	1.00%
$1,000,001 - $1,500,000	0.2250%	0.90%
$1,500,001 - $2,000,000	0.2125%	0.85%
$2,000,001 - $2,500,000	0.1875%	0.75%
$2,500,001 - $5,000,000	0.1625%	0.65%
$5,000,001 and Above	0.1250%	0.50%

Advisory Fees are paid in arrears and due on the first business day of each calendar quarter based on the value of the client's account on the last business day of the previous calendar quarter. Fees for the first quarter may be prorated or waived altogether. Advisor may grandfather existing clients on prior fee schedules.

Non-Discretionary RAS Accounts

In an account with non-discretionary management, the Advisor will only purchase or sell securities that have been approved by clients in advance. The Advisor will recommend an initial asset allocation subject to the clients' prior review and approval. The Advisor will also provide additional recommendations on an ongoing basis related to monitoring and rebalancing advisory services. Implementation of recommendations and rebalancing will only be done after receiving the client's approval. Clients should understand that the Advisor's lack of discretion related to their account(s), as compared with discretionary advisory accounts, may impact and/or delay the timing of implementation of any recommendations (i.e. "Timing Risk"). Delays affecting the timing of the implementation of recommendations may negatively impact investment results and client outcomes.

QUARTERLY ADVISORY FEES (RAS Non-Discretionary Accounts)

Portfolio Size	Quarterly Fee Rate (%)	Annual Advisory Fee Rate (%)
$0 – $250,000	0.4375%	1.75%
$250,001 – $500,000	0.3625%	1.45%
$500,001 - $1,000,000	0.3125%	1.25%
$1,000,001 - $1,500,000	0.2875%	1.15%
$1,500,001 - $2,000,000	0.2625%	1.10%
$2,000,001 - $2,500,000	0.2500%	1.00%
$2,500,001 - $5,000,000	0.2250%	0.90%
$5,000,001 and Above	0.1875%	0.75%

Advisory Fees are paid in arrears and due on the first business day of each calendar quarter based on the value of the client's account on the last business day of the previous calendar quarter. Fees for the first quarter may be prorated or waived altogether. Advisor may grandfather existing clients on prior fee schedules.

Advisor Managed Accounts (Investment-Only Service)

Advisor believes that decisions related to client portfolios should be based on a comprehensive financial plan. In certain circumstances, clients may request investment management services only, or they may be unable to provide necessary documentation for Advisor to complete a financial plan. Since Advisor does not charge a separate or additional fee for Phase Two financial planning services, existing and prospective clients will be billed according to the terms of the RAS Account asset-based Advisory Fee schedule. This is a discretionary portfolio management service.

QUARTERLY ADVISORY FEES (RAS Advisor Managed Accounts)

Portfolio Size	Quarterly Fee Rate (%)	Annual Advisory Fee Rate (%)
$100,001 – $250,000	0.3750%	1.50%
$250,001 – $500,000	0.3000%	1.20%
$500,001 - $1,000,000	0.2500%	1.00%
$1,000,001 - $1,500,000	0.2250%	0.90%
$1,500,001 - $2,000,000	0.2125%	0.85%
$2,000,001 - $2,500,000	0.1875%	0.75%
$2,500,001 - $5,000,000	0.1625%	0.65%
$5,000,001 and Above	0.1250%	0.50%

Advisory Fees are paid in arrears and due on the first business day of each calendar quarter based on the value of the client's account on the last business day of the previous calendar quarter. Fees for the first quarter may be prorated or waived altogether. Advisor may grandfather existing clients on prior fee schedules.

Grandfathered Fiduciary Services Accounts (“Grandfathered Retail Accounts”)

These Accounts are available for “grandfathered clients,” who had engaged the Advisor’s services prior to the availability of discretionary advisory accounts and clients who have elected the non-discretionary Retail Account designation in their advisory agreement. Accordingly, Retail Account clients are charged 1/3 of 1% of assets under management annually, and these fees will be paid on a quarterly basis. Retail Account fees are billed in arrears. Advisory Fees are paid in arrears and due on the first business day of each calendar quarter based on the value of the client's account on the last business day of the previous calendar quarter. It is important to understand that with these accounts, there is an inherent conflict of interest as the Advisor may have an incentive to recommend investment products based on compensation received.

Retail Accounts are offered only as a non-discretionary service. In a retail account with non-discretionary management, the Advisor will only purchase or sell securities that have been approved by clients in advance. The Advisor will recommend an initial asset allocation subject to the clients’ prior review and approval. The Advisor will also provide additional recommendations on an ongoing basis related to monitoring and rebalancing advisory services. Implementation of recommendations and rebalancing will only be done after receiving the clients’ approval. Clients should understand that the Advisor’s lack of discretion related to their account(s), as compared with discretionary advisory accounts, may impact and/or delay the timing of implementation of any recommendations (i.e. “Timing Risk”). Delays affecting the timing of the implementation of recommendations may impact investment results and client outcomes.

Clients have the option to implement investment or insurance products recommended by Advisor through other unaffiliated brokers or agents. Additionally, if compensation is derived from standard commissions on investment vehicles, the Advisor will refrain from billing asset-based fees for a period of one (1) year on the purchase price of that asset (i.e. amount invested). KFI and its investment adviser representatives can receive 12b-1 fees or other compensation to the extent permitted by applicable law for clients under this service. If a client chooses to dollar cost average from a lump sum, fees will be waived for one (1) year on the original lump sum as of the date of deposit. Advisor may choose to grandfather an existing client on prior fee schedules or charge based on an alternative flat fee or percentage of assets as agreed upon with a particular client.

Grandfathered Advisory Accounts

From time to time, existing Retail Account clients may prefer to receive discretionary advisory services with continuous and ongoing management. The Advisor may choose to offer such clients a new Advisory Agreement that offers these services. The annual fee charge for these accounts will be sixty-five basis points (“65bps” = 0.65 of 1% per year, billed on a quarterly basis) for ongoing financial planning and portfolio management services. Advisory Fees are paid in arrears and due on the first business day of each calendar quarter based on the value of the client's account on the last business day of the previous calendar quarter. Fees for the first quarter may be prorated or waived altogether. Advisor may grandfather existing clients on prior fee schedules.

Retirement Plan Services

Advisor can and does recommend custodians for corporate retirement plans such as 401ks, and profit-sharing plans outside Royal Alliance/Pershing. Sponsors receiving Retirement Plan Services may pay more than or less than a client might otherwise pay if purchasing the services separately or through another service provider. The factors involved in determining the cost include the size of the plan, the specific investments made by the plan, the number of locations of plan participants. Fees for ongoing services related to monitoring of retirement plans are calculated as follows:

QUARTERLY ADVISORY FEES (Retirement Plan Services Accounts)

Portfolio Size	Quarterly Fees	Annual Advisory Fees
$0 - $2,000,000	0.1875%	0.75%
$2,000,001 - $4,000,000	0.1250%	0.50%
$4,000,001 and Above	Negotiable	

Advisory Fees are paid in arrears and due on the first business day of each calendar quarter based on the value of the client's account on the last business day of the previous calendar quarter. Fees for the first quarter may be prorated or waived altogether. Advisor may grandfather existing clients on prior fee schedules.

In determining the value of the account for purposes of calculating asset-based fees, KFI will rely upon the valuation of assets provided by Sponsor or the plan’s custodian or recordkeeper without independent verification. However, if Advisor determines there to be circumstances which render the custodian’s valuation inappropriate, KFI will value securities listed on any national securities exchange at the closing price in a manner determined in good faith by KFI to reflect fair market value. Any such valuation will not be a guarantee of the market value of any of the assets included in the plan. Fees are charged in arrears on the first business day of each calendar quarter based on the value of the client's account on the last business day of the previous calendar quarter. All fees paid to KFI for Retirement Plan Services are separate and distinct from the fees and expenses charged by mutual funds, variable annuities, and exchange traded funds to their shareholders.

These fees and expenses are described in each investment's prospectus. These fees generally include management fees, other expenses, and possible distribution fees. If the investment also imposes sales charges, a client may also pay initial or deferred sales charges. The Retirement Plan Services are intended to assist in determining which investments are most appropriate depending on clients' financial condition and objectives as well as providing other administrative assistance as requested by the client(s). Accordingly, clients should review both the fees charged by the funds, the fund manager, the plan's other service providers and the fees charged by KFI to fully understand the total amount of fees to be paid by the client and to evaluate the Retirement Plan Services that are offered.

Grandfathered Third Party Managed Accounts

QUARTERLY ADVISORY FEES (RTD/Schwab Accounts)

Portfolio Size	Quarterly Fee Rate (%)	Annual Advisory Fee Rate (%)
$0 – $250,000	0.3750%	1.50%
$250,001 – $500,000	0.3000%	1.20%
$500,001 - $1,000,000	0.2500%	1.00%
$1,000,001 - $1,500,000	0.2250%	0.90%
$1,500,001 - $2,000,000	0.2125%	0.85%
$2,000,001 - $2,500,000	0.1875%	0.75%
$2,500,001 - $5,000,000	0.1625%	0.65%
$5,000,001 and Above	0.1250%	0.50%

Fee Dispersion

KFI, in its discretion, may charge a lesser investment advisory fee, charge a flat fee, waive its fee entirely, or charge fee on a different interval, based upon certain criteria (i.e. anticipated future earning capacity, anticipated future additional assets, dollar amount of assets to be managed, related accounts, account composition, complexity of the engagement, anticipated services to be rendered, grandfathered fee schedules, employees and family members, courtesy accounts, competition, negotiations with clients, etc.). Please Note: As result of the above, similarly situated clients could pay different fees. In addition, similar advisory services may be available from other investment advisers for similar or lower fees. Please Also Note: In the event that the client is subject to an annual minimum fee, the client could pay a higher percentage fee than referenced above. Any Questions: KFI's Chief Compliance Officer, Patti Brennan, remains available to address any questions that a client or prospective client may have regarding advisory fees.

New Retail Accounts and Outside Accounts

Fees for monitoring allocations of outside assets and integrating into the comprehensive plan will be based on a flat fee retainer. Fees may range from $625.00 to $8,000.00 on a quarterly basis, and will depend on the complexity of client's situation, number of outside accounts. Clients understand advisor does not have access to reliable data feeds on outside accounts or accurate accounting or information regarding any accounts or securities not held with custodian or clearing firm with which KFI maintains a broker-dealer relationship. The provision of updated statements on at least a quarterly basis is critical to keeping the financial plan current and relevant. Clients are under no obligation to accept recommendations and are solely responsible for implementing any recommendations through the outside custodian.

Additional Services

In the event that a client wishes to engage Advisor for the provision of additional services (including but not limited to settling estates, divorce settlements, consultations with trust attorneys, and ongoing financial planning for clients with investment-only advisor managed accounts), the Advisor may charge a fixed-fee retainer. A separate agreement outlining the terms and scope of the additional services to be provided will be signed by both Advisor and the client and the fee shall be estimated by the Advisor at the time of signing.

Item 6: Performance-Based Fees and Side-By-Side Management

KFI does not charge or receive performance-based fees or fees based on a share of capital gains or the capital appreciation of clients' assets. KFI does not conduct side-by-side management situations where a combination of asset-based and performance-based fees are collected.

Item 7: Types of Clients

KFI offers financial planning and investment advisory services to a wide variety of clients including, but not limited to, individuals including those with high net worth and individuals considered "qualified clients" under Rule 205-3 of the Investment Advisers Act of 1940, or "qualified purchasers," pension and profit sharing plans (other than plan participants), trusts, estates, 401(k) sponsor plans and Individual Retirement Accounts (IRA, SEP, ROTH IRA), charitable organizations, corporations and other business entities, including sole proprietorships.

Item 8: Methods of Analysis, Investment Strategies and Risk of Loss

Methods of Analysis

Analysis of a Client's Financial Situation:

In the development of investment plans for clients, including the recommendation of an appropriate asset allocation, KFI relies on an analysis of the client's financial objectives, current and estimated future resources, and tolerance for risk. To derive a recommended asset allocation, KFI may use back-tested historical data to develop various risk adjusted allocations appropriate for a variety of risk levels. From there, the client and the Advisor can agree on an appropriate risk tolerance and allocation. As with any other methods used to make projections into the future, there are several risks associated with this method, which may result in the client not being able to achieve their financial goals.

Fundamental Analysis:

KFI seeks to identify investment opportunities through fundamental analysis, which is a method of evaluating a security by attempting to measure its intrinsic value by examining related economic, financial, and other qualitative and quantitative factors. Fundamental analysts attempt to study everything that can affect the security's value, including macroeconomic factors, for instance, the overall economy, industry conditions, and individually specific factors such as the financial condition and management of a company. The end goal of performing fundamental analysis is to produce a value that an investor can compare with the security's current price in hopes of figuring out what sort of position to take with that security (buying undervalued versus selling overvalued securities).

Fundamental analysis is considered to be the opposite of technical analysis. While most analysts use fundamental analysis to value stocks, this method of valuation can be used for just about any type of security. The risk associated with fundamental analysis is that it is somewhat subjective. While a quantitative approach is possible, fundamental analysis usually entails a qualitative assessment of how market forces interact with one another in their impact on the potential investment. It is possible for those market forces to point in different directions, thus necessitating an interpretation or judgement as to which of these forces will be dominant. Because historical performance is not indicative of future results, this subjective interpretation may be incorrect, which could therefore result in an unfavorable investment decision.

Investment Strategy

KFI's services are based on long-term investment strategies incorporating the principles of Modern Portfolio Theory. The approach of KFI's Investment Committee is firmly rooted in the belief that markets are efficient over periods of time and that investors' long-term returns are determined principally by asset allocation decisions, rather than market timing or stock picking.

The Investment Committee recommends implementing an asset allocation strategy using diversified portfolios. KFI selects or recommends portfolios of securities, principally broadly traded open-end mutual funds, exchange-traded funds ("ETFs"), or conservative fixed-income securities to implement this investment strategy. Although all investments involve risk, KFI's investment advice seeks to limit risk through broad diversification among asset classes and, as appropriate for clients. KFI's investment philosophy is designed for investors who desire a buy and hold strategy. This strategy seeks to minimize increased brokerage and other transaction costs that result from frequent trading of securities. Clients may also hold or retain other types of assets (including but not limited to Real Estate), and KFI may offer advice regarding those various assets as part of its services. Advice regarding such assets will generally not involve asset management services but may help to more generally assist the client and is provided as an accommodation. Clients understand that KFI cannot, and will not, be monitoring or managing these assets on an ongoing basis and it is the clients' responsibility to implement any recommendations provided by adviser and monitor on an ongoing basis.

KFI's strategies do not typically utilize securities that we believe would be classified as having any unusual risks and we do not recommend frequent trading, which can increase brokerage and other costs and taxes. If a client has existing securities, the Advisor may recommend holding these securities for tax purposes or other reasons. The Advisor will attempt to implement existing holdings with diversified funds in similar or in other asset classes, but it should be understood that holding these securities may result in an asset allocation that is overweight in a particular asset class and underweight in other asset classes. Advisor will make recommendations over time to provide a more balanced approach in consideration of the clients' tax situation, risk tolerance, and investment objectives.

Non-Exclusive Management. KFI, its officers, employees, and agents, may have or take the same or similar positions in specific investments for their own accounts, or for the accounts of other clients, as KFI does for its clients. The Advisor shall be free to render investment advice to others and that KFI does not make its investment management services available exclusively to any client(s). KFI shall not have any obligation to purchase or sell, or to recommend for purchase or sale, for the clients' account any security which KFI, its principals, affiliates, or employees, may purchase or sell for their own accounts or for the account of any other clients, if in the reasonable opinion of KFI such investment would be unsuitable for the clients or if KFI determines in the best interest of the clients such investment would be impractical or undesirable.

Risk of Loss

Past performance is not indicative of future results. Therefore, clients should never assume that future performance of any specific investment or investment strategy will be profitable. Investing in securities (including stocks, mutual funds, ETFs, bonds, etc.) involves risk of loss. Further, depending on the different types of investments there could be varying degrees of risk.

Clients should be prepared to bear investment loss including loss of original principal. Because of the inherent risk of loss associated with investing, KFI is unable to represent, guarantee, or even imply that our services and methods of analysis can or will predict future results, successfully identify market tops or bottoms, or insulate clients from losses due to market corrections or declines. There are certain additional risks associated with investing in securities through our investment management program, as described below:

Interest-Rate Risk: Fluctuations in interest rates may cause investment prices to fluctuate. For example, when interest rates rise, yields on existing bonds become less attractive, causing their market values to decline.

Market Risk: Either the stock market as a whole, or the value of an individual company, goes down resulting in a decrease in the value of clients' investments. This is also referred to as systemic risk.

Inflation Risk: When any type of inflation is present, a dollar today will not buy as much as a dollar next year because purchasing power is eroding at the rate of inflation.

Currency Risk (Exchange Rate Risk): Overseas investments are subject to fluctuations in the value of the dollar against the currency of the investment's originating country.

Reinvestment Risk: This is the risk that future proceeds from investments may have to be reinvested at a lower rate of return (i.e., interest rate). While this primarily relates to fixed-income securities, it can also apply to dividends and realized capital gains on securities as well.

Equity (Stock) Market Risk: Common stocks are susceptible to general stock market fluctuations and to volatile increases and decreases in value as market confidence in and perceptions of their issuers change. If clients held common stock, or common stock equivalents, of any given issuer, they would generally be exposed to greater risk than if they held preferred stocks and debt obligations of the issuer.

Company Risk: When investing in stock positions, there is always a certain level of company or industry specific risk that is inherent in each investment. This is also referred to as unsystematic risk and can be reduced through appropriate diversification. There is the risk that the company will perform poorly or have its value reduced based on factors specific to the company or its industry. For example, if a company's employees go on strike or the company receives unfavorable media attention for its actions, the value of the company may be reduced.

Fixed Income Risk: When investing in bonds, there is the risk that the issuer will default on the bond and be unable to make payments. Further, individuals who depend on set amounts of periodically paid income face the risk that inflation will erode their spending power. Fixed-income investors receive set, regular payments that face the same inflation risk.

ETFs and Mutual Fund Risk: When investing in an ETF or mutual fund, clients will bear additional expenses based on their pro rata share of the ETF's or mutual fund's operating expenses, including the possible duplication of management fees. The risk of owning an ETF or mutual fund generally reflects the risks of owning the underlying securities the ETF or mutual fund holds. Clients will also incur brokerage costs when purchasing ETFs. Further, ETFs may carry trading risk during periods of volatility or high volume.

Liquidity Risk: Liquidity is the ability to readily convert an investment into cash. Generally, assets are more liquid if there is a high interest in a standardized product. For example, Treasury Bills are highly liquid, while real estate properties are not.

Financial Risk: The possibility that shareholders will lose money when they invest in a company that has debt if the company's cash flow proves inadequate to meet its financial obligations. When a company uses debt financing, its creditors will be repaid before its shareholders if the company becomes insolvent. Financial risk also refers to the possibility of a corporation or government defaulting on its bonds, which would cause those bondholders to lose money.

Management Risk: A client's investment with KFI varies with the success and failure of our investment strategies, research, analysis, and determination of portfolio securities. If our investment strategies do not produce the expected returns, the value of the investment will decrease.

Margin Risk: If those securities in a margin account decline in value, the value of the collateral supporting this loan also declines, and as a result, the brokerage firm is required to take action in order to maintain the necessary level of equity in clients' account(s). The brokerage firm may issue a margin call and/or sell other assets in clients' account(s).

It is important that clients fully understand the risks involved in trading securities on margin, which are applicable to any margin account that they may maintain, including any margin account that may be established as part of the Asset Management Agreement established between clients and KFI and held by the account custodian or clearing firm.

Portfolio Pledging Risks: If clients are borrowing money that will have to be repaid to Lender; they will be charged an interest rate on the principal balance of the Line that is subject to change; Clients can lose more funds than are held in the Collateral Account(s) and will be liable for any deficiency; Lenders can force the sale or other liquidations of any securities or other investment property in the Collateral Account(s), they do not need to contact the clients first, and clients are not entitled to choose which securities are liquidated or sold; Clients are only entitled to draw on the Line to the extent there is credit availability and provided that the client's Collateral Account(s) meet the Lenders' collateral maintenance requirements at the time the draw request is made.

There may be risks and benefits to clients in pledging certain types of investment assets to secure a Line. For example, deposit accounts, money funds, and similar investments ("cash equivalents") may produce less interest income or other yield than the interest rate the clients are paying on the line(s).

Additional risks to be considered prior to investing include: the risk that expected future cash flows will not match those used in the analysis; the risk that future rates of return will fall short of the estimates used in the simulation or financial plan; the risk that inflation will exceed the estimates used in the simulation; for taxable clients, the risk that tax rates will be higher than was assumed in the analysis; the risk that the value of securities (mutual funds, ETFs and individual bonds), when sold or otherwise disposed of, may be less than the price paid for the securities. Investing outside the United States involves additional risks, such as currency fluctuations, periods of illiquidity, and price volatility. These risks may be greater with investments in developing countries. More information about the risks of any particular market sector can be reviewed in representative prospectuses.

Even when the value of the securities when sold is greater than the price paid, there is the risk that the appreciation will be less than inflation. In other words, the purchasing power of the proceeds may be less than the purchasing power of the original investment. The mutual funds and ETFs utilized by Advisor may include funds invested in domestic and international equities, including real estate investment trusts (REITs), corporate and government fixed-income securities and commodities. Equity securities may include large capitalization, medium capitalization, and small capitalization stocks.

Item 9: Disciplinary Information

There are no legal or disciplinary events that are material to clients’ or prospective clients’ evaluation of KFI’s business or the integrity of KFI’s management.

Item 10: Other Financial Industry Activities and Affiliations

The Advisor is a Registered Representative of Royal Alliance Associates, Inc. (“Royal Alliance”) and provides brokerage services to clients in that capacity. Royal Alliance’s principal business is as a full-service general securities broker-dealer registered with the Securities Exchange Commission (SEC), Financial Industry Regulatory Authority (FINRA), and various other regulatory bodies. Royal Alliance is also a Registered Investment Adviser and provides access to Third-Party Investment Advisory Services to clients through its own Investment Advisor Representatives. In that regard, the advisors may also be affiliated with Royal Alliance’s Investment Advisor for the provision of such Third-Party Advisory Services and products.

Royal Alliance is a diversified financial services company. Associated persons of KFI are associated with Royal Alliance, as Registered or Non-Registered Representatives. Registered Associated persons may recommend securities, investment products, or insurance products offered through Royal Alliance as the Broker-Dealer. In the event clients receive financial planning services from the Advisor, please note that financial plans are prepared and distributed solely by KFI; Royal Alliance does not review or supervise these financial plans and makes no representations regarding the substance or accuracy of any financial plan.

If clients have retail accounts and purchase investment products, the advisor(s) will receive the normal commissions. Associated persons may also recommend insurance related products, and advisor(s) will receive compensation as an agent or broker of that insurance company. This presents a conflict of interest between the interests of KFI and those of the firm's advisory clients. When this occurs, KFI will disclose the existence and nature of the conflict and make clients aware that they have the option to purchase recommended investment products through other brokers or agents that are not affiliated with KFI.

From time to time, Advisor may utilize outside resources to input and process client data, including inputting and recommending asset allocation strategies. These resources may include, but are not limited to, RTD Financial Advisors, Inc. and its related companies in Philadelphia, Pennsylvania. RTD is an approved third-party money manager by Royal Alliance Associates, Inc. In this respect, Advisor will provide written disclosures (Form ADV, Part 2A Brochure; and Part 3 Form CRS) of that entity, RTD Financial Advisors, Inc. (SEC Number 801-19015).

Associated person(s) of KFI may be licensed with many insurance companies. Commissions and overrides are paid by these companies for insurance placed through them. Clients are advised that there is a total freedom to choose any insurance company they may desire. Advisor reserves the right not to implement recommendations through clients' desired insurance company if the company does not meet Advisor's criteria for solvency and performance history.

In addition, Patricia C. Brennan is a member of the Financial Planning Association. R. Bradley Everett is a member of the CFA Institute. Please Note Limitations: The achievement of any professional designation, certification, degree, or license should not be construed by a client or prospective client as a guarantee that they will experience a certain level of results or satisfaction if KFI is engaged, or continues to be engaged, to provide investment advisory services.

Advisor does not have any relationship or arrangement that is material to its advisory business or to its clients as a result of any relationship with any pension consulting firm.

Item 11: Code of Ethics, Participation or Interest in Client Transactions and Personal Trading

KFI has adopted a Code of Ethics (the "Code") to address securities-related conduct. The Code focuses primarily on fiduciary duty, personal securities transactions, insider trading, gifts, and conflicts of interest. The Code includes the firm's policies and procedures developed to protect the client interests in relation to the following topics:

- The duty at all times is to place the client interests first;
- The requirement that all personal securities transactions be conducted in such a manner as to be consistent with the code of ethics and to avoid any actual or potential conflict of interest or any abuse of an employee's position of trust and responsibility;
- The principle that investment Advisor personnel should not take inappropriate advantage of their positions;
- The fiduciary principle that information concerning the identity of security holdings and the client's financial circumstances is confidential;
- The principle that independence in the investment decision-making process is paramount.

KFI will provide a copy of the Code to the client or any prospective client upon request.

It is rare that the Advisor or a related person will invest in the same individual securities that the Advisor recommends to clients. In the event that this was to happen, however, full disclosure would be made to such client at once. Advisor and its associates may also own mutual funds, ETFs, annuities, or other diversified investment products that it also recommends to its clients. It is further noted that Advisor is in and shall continue to be in total compliance with The Insider Trading and Securities Fraud Enforcement Act of 1988. Specifically, Advisor has adopted a policy statement outlining insider trading compliance by Advisor and its associates and other employees. This statement has been distributed to all associated persons and other employees of Advisor and has been signed and dated by each such person. A copy of such Advisor wide policy is left with such person and the original is maintained in a master file.

Further, Advisor has adopted a written supervisory procedures statement highlighting the steps that shall be taken to implement the Advisor wide policy. These materials are also distributed to all associated persons and other employees of Advisor, are signed, dated and filed with the insider trading compliance materials.

There are provisions adopted for (1) restricting access to files, (2) providing continuing education, (3) restricting and/or monitoring trading on those securities of which Advisor's employees may have non-public information, (4) requiring all of Advisor's employees to conduct their trading though a specified broker or reporting all transactions promptly to Advisor, and (5) monitoring the securities trading of the Advisor and its employees and associated persons.

Pursuant to IA-1092, the following statement is also made by Advisor: (1) Advisor and associated persons thereof are also associated with various insurance companies and agencies. (2) Clients are under no obligation to have Advisor or its associated persons implement any suggestions made in a written financial plan. (3) If asked to implement the suggestions of any written plan, Advisor intends to implement such financial planning, in whole or in part, through products offered by these companies. (4) To the extent Advisor or its associated persons do implement, they will be acting as agents for broker-dealer and/or the insurance company. (5) Although the Advisor's associates are Registered Representatives of Royal Alliance, these advisory services provided herein are basically beyond the scope of employment with the broker-dealer and these services are independent from such employment with the broker-dealer. (6) If insurance or securities products are acquired, commissions would be received by the associated persons of Advisor. (7) Clients shall have total freedom to execute securities and/or insurance transactions with any company of their choice.

Item 12: Brokerage Practices

Under the rules and regulations of FINRA, Royal Alliance has obligations to maintain records and perform other functions regarding certain aspects of the investment Advisory activities of its Registered Representatives in relation to certain Advisory accounts for which its Registered Representatives provide investment advice. These obligations require Royal Alliance to coordinate with and have the cooperation of the account custodian.

In their separate capacity as Registered Representatives of Royal Alliance, Registered Associated persons are subject to certain FINRA supervisory obligations, which have caused Royal Alliance to select Pershing LLC (“Pershing”), a subsidiary of the Bank of New York/Mellon. Pershing is an approved third-party clearing broker-dealer, which will execute trades, settle securities transactions and custody clients’ assets on behalf of KFI and its Advisory Representatives.

Factors considered in selecting Pershing include its existing broker-dealer clearing relationship with Royal Alliance, its extensive financial strength, reputation, reporting, and execution pricing and research. The commissions and/or transaction fees charged by Royal Alliance and Pershing may be higher or lower than those charged by other broker-dealer/custodians. Further, the fees charged by Royal Alliance and Pershing, or any other designated broker-dealer/custodian, are exclusive of, and in addition to, KFI's investment monitoring fees. In addition, the clients shall also incur charges imposed at the mutual fund level (e.g. management fees and other fund expenses).

In order to fulfill its obligation, Royal Alliance has established a list of custodian and brokerage advisers, which it has arranged to obtain the required cooperation, and which therefore may be utilized for custody of accounts directly advised either by Registered Representative of Royal Alliance who are investment Advisors or other investment Advisors that are affiliated with Registered Representatives of Royal Alliance.

In certain instances, Royal Alliance will collect, as paying agent for KFI, the Investment Advisory Fees remitted to Advisor by the account custodian, and Royal Alliance will retain a portion as a charge to the investment Advisor (not the clients) for the function Royal Alliance is required to carry out by the FINRA. This fee will not increase execution or brokerage charges to clients or the fees that clients have agreed to pay KFI pursuant to clients' Advisory Agreement.

A portion of the fee retained by Royal Alliance may be re-allowed to other Registered Representatives of Royal Alliance who, as Registered Representatives of Royal Alliance, are responsible for the supervision of other representatives and assist Royal Alliance with the functions described above.

KFI may enter into advisory agreements with other registered investment advisers to offer their services. Fees for such services will be shared in accordance with the agreement executed by the Advisor with the other registered investment adviser(s). Other advisers (in addition to RTD) must be approved by Royal Alliance. Royal Alliance does allow the Advisor's related persons to hold accounts and place trades with other broker-dealers. However, all statements and account activity must be automatically mailed to Royal Alliance.

In their separate capacity as Registered Representatives of Royal Alliance, KFI and Royal Alliance are all subject to certain FINRA supervisory obligations that have caused Royal Alliance to select Schwab as an approved third-party clearing broker-dealer, which will execute trades, settle securities transactions and custody clients' assets on behalf of KFI. Factors considered in selecting Schwab include its extensive financial strength, reputation, reporting, and execution pricing and research. Schwab and Royal Alliance also make available to KFI's clients a broad array of no-load, no transaction or low transaction cost mutual funds and exchange traded funds.

The factors that the Advisor considers in selecting or recommending broker-dealers for client transactions and determining the reasonableness of their compensation would be: reputation in the industry, track record, service and accessibility, financial condition, training for its employees and staff and longevity in the industry.

Research and Benefits: Although not a material consideration when determining whether to utilize the services of a particular broker-dealer/custodian, KFI can receive from Royal/Pershing/Schwab (or another broker-dealer/custodian, investment manager, platform sponsor, mutual fund sponsor, or vendor) without cost (and/or at a discount) support services and/or products, certain of which assist KFI to better monitor and service clients' accounts maintained at such institutions. Included within the support services that can be obtained by KFI are: investment-related research, pricing information, market data, software and other technology that provide access to client account data, compliance and/or practice management-related publications, discounted or gratis consulting services, discounted and/or gratis attendance at conferences, meetings, and other educational and/or social events, marketing support-including client events, computer hardware and/or software and/or other products used by KFI in furtherance of its investment advisory business operations.

KFI's clients do not pay more for investment transactions effected and/or assets maintained at Schwab and other broker-dealers, mutual fund sponsors, or investment managers as the result of this arrangement. There is no corresponding commitment made by KFI to Royal/Pershing/Schwab, or any other entity, to invest any specific amount or percentage of client assets in any specific mutual funds, securities or other investment products as result of the above arrangement.

Any Questions: KFI's Chief Compliance Officer, Patti Brennan, remains available to address any questions that a client or prospective client may have regarding the above arrangements and the corresponding conflict of interest presented by such arrangements.

Directed Brokerage**:** KFI recommends that its clients utilize the brokerage and custodial services provided by Royal/Pershing (as well as Schwab for grandfathered accounts.) The Firm generally does not accept directed brokerage arrangements (but could make exceptions). A directed brokerage arrangement arises when a client requires that account transactions be affected through a specific broker-dealer/custodian, other than one generally recommended by the KFI (i.e., Royal/Pershing). In such client directed arrangements, the client will negotiate terms and arrangements for their account with that broker-dealer, and Advisor will not seek better execution services or prices from other broker-dealers or be able to "batch" the client's transactions for execution through other broker-dealers with orders for other accounts managed by KFI. As a result, a client may pay higher commissions or other transaction costs or greater spreads, or receive less favorable net prices, on transactions for the account than would otherwise be the case. Please Note: In the event that the client directs KFI to affect securities transactions for the clients' accounts through a specific broker-dealer, the clients correspondingly acknowledges that such direction may cause the accounts to incur higher commissions or transaction costs than the accounts would otherwise incur had the clients determined to effect account transactions through alternative clearing arrangements that may be available through KFI. Please Also Note: Higher transaction costs adversely impact account performance. Please Further Note: Transactions for directed accounts will generally be executed following the execution of portfolio transactions for non-directed accounts.

Order Aggregation: Transactions for each client account generally will be affected independently, unless Advisor decides to purchase or sell the same securities for several clients at approximately the same time. Advisor may (but is not obligated to) combine or "bunch" such orders to obtain best execution, to negotiate more favorable commission rates or to allocate equitably among Advisor's clients differences in prices and commissions or other transaction costs that might have been obtained had such orders been placed independently. Under this procedure, transactions will be averaged as to price and will be allocated among clients in proportion to the purchase and sale orders placed for each client account on any given day. Advisor shall not receive any additional compensation or remuneration as the result of such aggregation.

Item 13: Review of Accounts

We recognize that the value of a Financial Plan resides in not just the plan itself but monitoring progress toward clients' financial goals. Without this, a plan can become obsolete as changes in clients' financial situation(s), the economy, tax laws, and markets can have a significant impact on the success of the original plan. Compensation derived from advisory fees are to provide this ongoing service to our clients.

Advisor emphasizes the importance of reviewing financial situations on a continuing basis. Since long term investments are generally only recommended, Advisor's review consists of keeping updated on the performance of the investments and the financial plan. Review of clients' plans and portfolio are recommended on an annual basis or when changes occur in clients' financial situation. Financial Plans are monitored on an ongoing basis through a comprehensive online system. Clients have access to their financial plans and are given a personal website with username and password. Clients are given a questionnaire to fill out, which is necessary to prepare the financial plan. When the plan is completed, it is important for clients to review data and assumptions for accuracy and to make sure they are comfortable with the assumptions made.

Clients are responsible for reviewing initial and ongoing reports for accuracy and notifying Advisor of errors or when changes occur, including but not limited to changes in income, employment status, or desired cash flow needs. They should also notify Advisor with any changes in their financial situation affecting their financial plan, risk tolerance, investment objective, assets, liabilities, or net worth. The reviewer would be Patricia Clark Brennan CFP®, CFS, CEO; Eric Ryan Fuhrman CFP®; R. Bradley Everett, CFA, CFP®; Samuel Baez, CFP ®, AAMS®; Diane Krainik, CFP®; or Michael Brennan AWMA℠. Thomas Joseph Belisari CFP® maintains a separate office and prepares and reviews financial plans for his personal clients.

If the review includes a new financial planning document, the fee schedule would be in accordance to appropriate the fee schedule listed in this ADV. If, however, minor changes are recommended in investment allocation or insurance coverage, financial planner may choose not to charge a fee. Portfolio reviews for clients with RAS Accounts (i.e. clients receiving ongoing financial planning and portfolio management services and paying quarterly fees) are done on a quarterly basis, and statements are provided electronically or may be sent to them by mail.

Item 14: Client Referrals and Other Compensation

As a Registered Representative of Royal Alliance, the Registered Associated person may recommend to clients the purchase or sale of investment products in which KFI and Royal Alliance or a related entity, may have some financial interest including the receipt of compensation. Certain mutual funds (and/or their related persons) in which a client may invest make 12b-1 fee payments to broker-dealers. Such payments may be distributed pursuant to a 12b-1 distribution plan or pursuant to another arrangement as compensation for distribution or administrative services and may be paid out of the fund's assets. Royal Alliance and/or associates of KFI may receive such 12b-1 fees or other compensation to the extent permitted by applicable law.

A fund that imposes a front-end sales load and waives that front-end sales load for purchases made on behalf of clients' accounts (a "front-end load" fund at net asset value) may bear 12b-1 distribution or service fees in excess of twenty-five basis points (0.25%) of the account's net assets invested in such fund (the minimum allowed for no-load funds). The 12b-1 fee deferred sales charges and other fee arrangements will be disclosed upon request of the clients and are typically described in the applicable fund's prospectus. Because of these compensation arrangements, a conflict of interest may exist in connection with the recommendation of particular mutual fund investments for clients' accounts. Certain investment advisors may also execute transactions through Royal Alliance. Pershing LLC., an affiliate of Royal Alliance, or another affiliate of Pershing LLC. may act as custodian and receive compensation in connection with certain third-party advisory programs.

At times, KFI may be reimbursed or supported by mutual fund companies, product sponsors and other unaffiliated third parties for client events and seminars. The support received may pose a potential conflict of interest between KFI and its clients, as the reimbursements could have an incentive favoring certain products and providers. To help mitigate this conflict, KFI makes investment decisions independent of any marketing support.

Item 15: Custody

Clients will sign Phase 2 Advisory Agreement authorizing KFI to deduct the quarterly advisory fees from their Royal Alliance account. A statement from Royal Alliance will be sent to clients, on a quarterly basis, disclosing the fee deduction. Please review these statements carefully. Advisor follows all the rules, safe harbors, and administrative relief available to it, so that the fee deduction does not rise to the level of "custody". Please Note: To the extent that KFI provides clients with periodic account statements or reports, the client is urged to compare any statement or report provided by KFI with the account statements received from the account custodian. Please Also Note: The account custodian does not verify the accuracy of KFI's advisory fee calculation.

The Advisor does not maintain physical custody of any client advisory funds or securities. Neither the Advisor, nor any employee, serves in a Trustee capacity, maintains any standing letters of authorization (SLOAs) or passwords that would require an annual surprise CPA examination.

Item 16: Investment Discretion

The Advisor has been granted limited discretionary authority by certain advisory clients pursuant to the clients' Advisory Agreement. As a result of this agreement, the Advisor may determine, without first obtaining specific client consent, the securities to be bought or sold and/or the amount of securities to be bought or sold. The authority is limited to securities bought or sold, the amounts of securities bought or sold, and the timing of when they are bought or sold. This discretionary authority does not extend to the withdrawal or transfer of clients account or funds.

Item 17: Voting Client Securities

The Advisor does not vote proxy statements on behalf of Advisory clients. Clients receive their proxies or other solicitations from the Custodian or Transfer Agent. Clients may contact us by e-mail, telephone, fax, or letter.

Item 18: Financial Information

No financial reporting required as the Advisor does not require fees more than six months in advance.

Any Questions: KFI's Chief Compliance Officer, Patti Brennan, remains available to address any questions regarding this Part 2A.